

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
 CABLE ONE, INC. CONCERNING)
 INVESTMENT FOR INSTALLING QUALIFIED)
 BROADBAND EQUIPMENT TAX CREDIT.)**

CASE NO. GNR-T-03-25**ORDER NO. 29441**

On August 26, 2003, the Commission issued Order No. 29326 certifying that Cable One, Inc. had installed broadband equipment that qualified for a tax credit set forth at *Idaho Code* § 63-3029I. Pursuant to that section, an Idaho taxpayer may receive a tax credit for installing eligible equipment, which must be part of a network facility that is capable of transmitting signals at a rate of at least 200,000 bits per second (bps) to a subscriber and at least 125,000 bps from a subscriber. In addition, equipment installed by a cable operator must extend from the subscriber side of the installer's headend facility to the outside of the structure in which the subscriber is located. The taxpayer may receive the credit only after obtaining from the Commission an Order confirming that the installed equipment is "qualified broadband equipment." *Idaho Code* § 63-3029I(4).

THE APPLICATION

On February 3, 2004, Cable One filed a supplemental Application asking for the Commission's approval of additional equipment qualifying for a tax credit. In its supplemental request, Cable One identified labor and materials associated with headend equipment that it failed to include in its original Application. In its supplemental Application, the Company calculated that it is eligible for an additional tax credit of \$35,416 in 2001 and \$30,495 in 2002 related to drop equipment and labor that was not included in Cable One's original Application. Because the broadband tax credit applies only to expenditures that are necessary to provide the equipment to the outside of the structure to which the subscriber is located, Cable One estimated that 60% of its expenses associated with the drop line apply to the line between the utility pole and the outside of the subscriber's structure.

Staff reviewed the Application filed by Cable One to confirm that the equipment satisfies the definition of "qualified broadband equipment" set forth in *Idaho Code* § 63-3029I.

Staff confirmed that the equipment identified by Cable One in its supplemental Application meets the statute's definition.

FINDINGS

Having reviewed the supplemental Application filed by Cable One and Staff's recommendation, the Commission finds that the Company's Application for an additional Order should be granted. The Company demonstrated that it installed the equipment identified in its supplemental Application and that the equipment conforms with the requirements set forth in *Idaho Code* § 63-3029I. The Commission only certifies that qualifying equipment has been installed, and thus cannot confirm that Cable One's estimate of the costs eligible for the tax credit is correct. This Order along with the supplemental Application will be forwarded to the Idaho State Tax Commission.

ORDER

IT IS HEREBY ORDERED that Cable One's supplemental Application for an Order certifying that it installed qualified broadband equipment is approved. The Commission Secretary will forward this Order along with a copy of the supplemental Application to the Idaho State Tax Commission.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

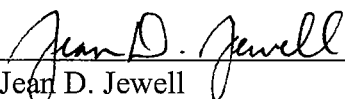
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 12th
day of March 2004.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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